

Provision will be in House Health Care Reform Bill to change Medicare to a quality-based reimbursement system in two years

Washington, DC - Reps. Bruce Braley, Leonard Boswell and Dave Loebsack today announced finalization of a major breakthrough on the issue of Medicare payment reform. Braley, Boswell and Loebsack have been outspoken advocates for changing the way Medicare pays healthcare providers for services, from its current fee-for-service system into a quality and value-based system.

Braley, Boswell and Loebsack helped negotiate a compromise adding language to the healthcare reform bill changing Medicare to a quality-based payment system in two years. Specifically, the compromise would (1) require Medicare to conduct a two-year study on a value-based system, and (2) at the end of the two year study period, Medicare would switch to a quality-based system unless Congress specifically cast a vote to disallow that change.

"This compromise represents a major breakthrough in healthcare reform that will save taxpayers billions of dollars and reduce costly, unneeded procedures that don't improve patient outcomes," **Congressman Braley said.** "Our healthcare system should reward the best care. A quality-based approach for Medicare will reduce costs to taxpayers and increase the quality of care for everyone, all while rewarding doctors in states like Iowa who provide the most efficient and effective healthcare.

"My colleagues and I here today represent states and districts that provide top-notch quality care, yet our providers are reimbursed from the Medicare program at some of the lowest rates in the nation," **Congressman Boswell said.** "Throughout my career in Congress, I have worked to bring attention to how this disparity negatively impacts Iowa's providers and have sought to help them receive the reimbursements they deserve. Now, many of our clinics and hospitals are at a breaking point. The two studies that we have proposed will pave the way for all doctors to be paid fairly for the great care that they provide. Healthcare reform must move us forward. Let's take a hard look at where we are now and ask how we can truly help our doctors to continue to provide excellent care, while bending the cost curve and expanding coverage. I hope that my colleagues will keep sharp eye on the structure of reform and how it will impact the public option in a final health care bill. It must be robust in that it covers all people. But it must also be fair."

"This agreement rewards States like Iowa who have put patients and their care first," said **Congressman Loeb sack**

. "By reforming the Medicare payment system to reward high quality care we are creating a system where everyone wins. This deal achieves significant cost-savings while incentivizing the kind of care that all Americans want and deserve. Iowa has been a leader in this area, and I am proud that we are finally able to highlight and fairly compensate their achievements."

Medicare currently operates under a fee-for-service system, basing payments to doctors and hospitals on the amount of procedures completed and the number of patients seen. This system creates a financial incentive to order more and more procedures. Ironically, according to many studies, this increased number of procedures does not result in better outcomes for patients.

Braley, Boswell and Loeb sack have strongly advocated a switch to a Medicare payment system based on value and quality, which determines payments based on procedures' effect on patient health. In June, Rep. Braley introduced the *Medicare Payment Improvement Act* with Rep. Ron Kind (D-WI). Reps. Boswell and Loeb sack are co-sponsors of the legislation. The bill would have required Medicare to switch to a quality-based payment system, outlining specific details on how to measure quality and value.